

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

25X1A

COUNTRY **Hungary**

SUBJECT **The Ganz Cars and Machinery Plant/Location/Production/
AVH Internal Security Branch/Procedures for Employment
In Plant/Work Accidents/Sabotage/Wages/Personnel**

PLACE ACQUIRED
(BY SOURCE)

DATE ACQUIRED
(BY SOURCE)

DATE (OF INFO.)

25X1A

DAS NO.	
OCI NO.	

DATE DISTR. **17 AUG 54**

NO. OF PAGES 10

NO. OF ENCLS.

SUPP. TO
REPORT NO.

25X1X

SOURCE

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793
AND 794, OF THE U.S. CODE, AS AMENDED, ITS TRANSMISSION OR REVE-
LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS
PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS **UNEVALUATED** INFORMATION

25X1X

1. information on the Ganz plant dates through
2. "Location: /Available at the CIA Library is a map of the Ganz plant. The following legend applies:
 1. The 'Szeresem Geposszeszerelo Muhely' (Assembling section) - new building ground floor.
 2. The 'Ontvenytisztito Muhely' (Grinding section) - old building, ground floor.
 3. The 'Gepjavito Muhely' (Repairs Workshop) - old building with one floor.
 4. The 'Portal' (Entrance) - Usher and check point for workers.
 5. The 'Altalanos Muhely' (Mixed Machinery section) - old building, ground floor, formerly the Cashiers' Offices.
 6. The 'Lakkozo Muhely' (Varnishing-shellac-section) - old building, ground floor.
 7. The 'Oktatasi Oszaly' (Professional School) - old building, having one floor.
 8. The 'Lakatos Altalanos Muhely' (Smiths, [Blacksmith] section) - old building, ground floor.
 9. The 'Acel Ontode Fels' (Steel section) - situated on the ground floor. On the first floor was located the Mess Canteen and rooms for political courses - old building.
 10. Same as 8.

25X1X

U.S. Officials Only

CONFIDENTIAL

DISTRIBUTION	STATE	ARMY	NAVY	AIR	FBI	ORR - Ev
--------------	-------	------	------	-----	-----	----------

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

-2-

11. The 'Regi Kovacs Muhely' (the old Blacksmiths section) - old building, ground floor.
12. The 'Villanyszerele Muhely; (Power plant transformers) - old building, ground floor.
13. The 'Ujj Kovacs Muhely' (Blacksmith section) - new building, machinery was not yet installed [REDACTED]
14. The 'Vagon Szereldo' (Railway car section) - old building.
15. The 'Olajraktar; (oil depot) - old building, ground floor.
16. The 'Ocska Vastelep' (depot of old iron) - located in the courtyard.
17. The 'Vastoro Torony Magas' (Cutting section - where large size iron is cut into small pieces) - old building, ground floor.
18. The 'Epiteszeti Raktar' (Depot of old building materials) - old building, ground floor.
19. The 'Gepjavito Muhely' (Repairs Workshop) - old building, ground floor.
20. Same as 14.
21. Same as 8.
22. Same as 14.
23. Same as 14.
24. The 'Velt Regi Iroda' (Old Offices) - old building, ground floor and one upper floor.
25. Same as 24.
26. The 'Szocialis Osztaly' (Social Offices) - old building, with one floor.
27. The 'M SZ NSZ' or 'Magyar Szabadsag Harcos Szovetsag' (Union of Hungarian Freedom Fighters); also the 'Ifjusagi Repulo Modell Motor Garazs' (Model Planes Garage of Youth Organization); old building, ground floor.
28. The 'Ideiglenes Munkaslakas' (Workers' Hotel for those workers with families)
The 'Munkas Szalo' (Workers' Hotel for single workers).
On the first floor of same building are located offices of the M SZ NSZ organizations, and a munitions depot ('Fegyvertara') belonging to the same organization.
29. The 'Auto-Garazs' (Truck Pool) - old building, ground floor.
30. The 'Gyari Konyha' (Kitchen) - old building, ground floor.
31. The 'Regi Rajzolo Panymasolo Nyomda' (The old Drawings Offices, as well as the Printing house of the plant's newspaper, the 'Ganz Ujsag'. Old building, having one floor.
32. The 'Foporta' (Main entrance) - ground floor building. On the first floor is located the Personnel Office.
33. The 'Gepjavito Muhely' (Repairs Workshop) located on the ground floor. On the first floor are situated the 'Iroda Kultur' (Culture House) and other offices. Old building.

CONFIDENTIAL/US OFFICIALS ONLY

-3-

- 33-A Same as 33 which are connected. A gallery passes through the building.
34. The 'Iroda Epuletek' (Building for Offices) - two floors, newly constructed building connected with #35.
35. Newly constructed eleven-story building, where all Ganz plant's offices are located.
36. The 'Auto-Park' (Truck Pool) not just for the cars of the Ganz plant, also a taxi station is located here.
37. The 'Vasuttelep régi opulet' (The old Iron Works) - ground floor building.
38. The 'Ipariskola' (Professional School) old building, ground floor.
39. The 'Regy Bohany Gyar' (The old Tobacco plant) old building, ground floor.
40. The 'Ganz Kapcsoló' (Assembling section for electro-engines) building constructed in 1946.
41. Electric power plant transformer. From that point electric power is supplied to #12 which supplies electricity to all sections of the Ganz plant.

Note: Railway line leading into the NÉP-Liget Park ends in the park itself. Completed railway cars make trial trips on that line.

- A)
J) 'Vasuti Porta' (Railway Gates)
D)
B)
C)
E)
F) 'Porta' (Entrance & Exit doors)
G)
H)
I)

Note: Location of plant is correct, but other buildings may not be exactly located due to source's inability to determine distances exactly.

25X1A

until the beginning of World War II plant was called Reszveny Tarsasag Ganz, and was the property of a limited share company. Nowadays, plant is State Property (Allami).

Production

3. "Plant manufactured the following:

a. 'Vasuti Kocsi' (Railway cars) which were:

1. 'Teher Vagon' (freight-cars)
2. 'Szemely Kocsi' (passenger cars)
3. 'Motoros Tavfuto Szemely Kocsi' (New type of motor-passenger cars)

b. 'Szerszangepek' (Machinery for Industry):

1. 'Maro Gepek' & 'Eszterga Gepek' - lathes
2. 'Gyala Gepek' (wood lathe)

c. 'Villanymotorok' (electric machinery - dynamo)

CONFIDENTIAL/US OFFICIALS ONLY

CONFIDENTIAL/US OFFICIALS ONLY

- d. 'Vastermekék' (Iron & Steel products)
- e. 'Hajóalkatrészek' (spare parts for vessels)

1. 'Propellerek' (propellers)

the exact monthly production figures. approximately 20 (twenty) passenger-cars were manufactured every month. These were the new type of passenger cars (para a3 above), which were manufactured and exported to the following countries:

Argentina - cars were white colored - number per month ?
 Brazil - cars were white colored - number per month ?
 Egypt - cars were half white & half-blue colored - number per month ?
 USSR - cars were green colored, some even white colored, length of each car was smaller than the others [sic] - number per month ?
 TOTAL PER MONTH: 20

These passenger railway cars were constructed with the Soviet type of railway gauge [sic], and each car was approximately 16 meters long. The diameter of each wheel was approximately 75-80 cms., railway-car wheels. Regarding the electric machinery manufactured by the Ganz Plant, parts were assembled by the Ganz Kapcsoló section (see No. 40, Legend).

Iron and Steel Casting in the #577 Steel Section (see No. 9, of Legend)

4. "There existed three furnaces:

- a. one 'Ivfenyes' (steel casting) furnace, two tons. Heating was made with normal coal and with the aid of a 'Szenelektrod' (coal-electrod)
- b. another steel casting furnace, two tons. Heating was made with electric power. It was installed and made by the Ganz plant itself.
- c. the third steel casting furnace, also of electric type of heating, eight tons, was made and installed by the Ganz plant. One week later, during early days it was out of operation for a week for repairs. Following an explosion (probably sabotage), it remained out of operation for a month.

5. "Casting of iron took place three times every 24 hours of work, more precisely at 0930, 1600 and 1800 hours. During the night, night shift of workers, prepared only the forms in which casting took place. Raw materials were carried by battery driven cars. There was an elevator raised up to the level of the door of the furnace and materials were emptied into the furnace itself. Doors of furnaces were opened by a special pushbutton. Liquid steel was poured into special prepared forms and left to cool, after having been treated with a special air-pressure hammer.

6. "This section manufactured:

- a. railway car wheels
- b. vessel propellers - five to six every month for the Hajó Gyar vessel plant.
- c. connecting rods ('Hajtókar')
- d. joints for crank shafts ('Csapagy')

Raw materials used were iron, copper, aluminum, steel, wolfram etc. All raw materials were imported goods, but I do not know from which country they came.

CONFIDENTIAL/US OFFICIALS ONLY

CONFIDENTIAL
US OFFICIALS ONLY

25X1A

Norms

7. "The manufacture of parts was governed by working norms as follows:

- a. 120 minutes for the casting of one railway-car wheel
- b. 160 minutes for the casting of a big-sized 'Hajtókar'
- c. 55 minutes for the casting of a big-sized 'Csapagy'

Working Hours & Shifts

8. "Work was performed in three, eight-hour shifts, that is from 0600-1400, 1400-2200, 2000-0600. Upon entering the plant, every worker had to exhibit his Entry Permit, to the Gyar Or, Plant's Policemen, at the check point. Upon leaving the plant, workers were searched in order to ensure that no spare parts were taken out of the factory. This was done because of the many thefts by workers. Naturally, a search was made only in the event a worker carried heavy packages, or when his suit was rather swollen /sic/. A larger search, naturally unexpected, was made two or three times yearly (including taking off shoes). It was a general habit by workers to steal small parts, iron, etc. and sell them on the black market at the Teleki Ter Market in order to exist on their low salaries.

AVH Internal Security Branch

9. "In addition to an unknown number of Gyar Or who were unarmed and wore civilian clothes and who checked only entry permits, there existed also an internal AVH Security Branch. These AVH wore civilian clothes and were armed. They were empowered to search, stop and arrest even workers within the plant, anyone they believed to be suspect. Their number is also unknown. The Belipő igazolvány (entry permit) of the Ganz Vagon és Gépgyár plant was made of white cardboard about the size of the Hungarian permit and had a border of red strips around it. Underneath the name of the profession of the holder was the surname and first name and date of birth of the holder. The entry permit also served as an identification card when moving within Budapest. The following is an example of an entry permit:

<div style="border: 1px dashed black; height: 50px; width: 100px; margin: 0 auto;"></div> <p>'Onto'</p> <p>NAME</p> <p>Date of Birth</p> <p>Ganz Vagon és Gépgyár Belipő igazolvány</p>

CONFIDENTIAL
US OFFICIALS ONLY

Translation

c. The Daily Labor Book issued daily. Example:

[illegible]

Translation

Fizetendő Összeg - amount earned in Forint.

CONFIDENTIAL
US OFFICIALS ONLY

CONFIDENTIAL
US OFFICIALS ONLY

The foremen also calculated the workers' daily earnings. It was used for the calculation of monthly wages and norms and was also indirectly a time sheet.

Protection against work accidents

11. "This was rather poor. Every worker received every six months a blue colored typical workers' overall, free of charge. He was not compelled to turn in the old one to get the new one. Most of the workers, when getting the new one, sold it, and continued to work with the old one. Casters, received special leather shoes with wooden soles. Operators of furnaces, received in addition special glasses and rubber gloves.

Work-accidents:

12. "A dispensary was located in the Plant (see No. 31, legend), and was opened from 0830 thru 1130 hrs, and from 1230 thru 1700 hours daily. Accidents occurred rather frequently, and there were even months when there were up to 39 cases [redacted] but there were also other months without any accidents. In most of the cases these were burns, due largely to careless work. Work accidents were booked in a special Registry, and when work accident resulted as in the majority of cases from a worker's negligence, he did not get any compensation. In the event of a work accident, workers were immediately taken to the dispensary, or in more serious cases, to the Hospital. Medical assistance and compensation as well as treatments etc., including payment of salaries during non-working period resulting from illness, were covered by the State Social Insurance Agency, known by me only as OTI, which workers were all compelled to join, and for which each paid a four forint membership fee. In case an accident resulted which was not from carelessness and if the case was rather serious, a worker could get a few thousand forints as compensation.

Sabotage

13. "The greatest majority of accidents were caused by sabotage. For example, the newly constructed furnace [redacted] see paragraph 4c) was blown up in [redacted] Prior to that date, even the first repairs (when furnace did not operate for a week) seemed also to have been sabotage. [redacted] approximately at 2400 hours, a terrific blast blew up the furnace. Many workers were injured, [redacted] very seriously. Fortunately, I did not work on the night shift, otherwise I would have been wounded. The AVH Internal Security Branch, despite its investigations, could not find the saboteurs. Workers said that some one had thrown dynamite in the raw materials which were thereafter thrown into the furnace for the casting of products.

Wages:

14. [redacted] Party members earned more as a result of different work assignments where work was easier and norms less heavy, thus they could earn much more than the common worker. Assignment of work was made by the Chief Foreman of the Section, a Party member who, following superior orders, designated work in such a way that only Party members received less heavy work and completed norms with a good profit. Some of them, made 1700 forints per month. Work was compensated according to fulfillment of norms [redacted]. In the event the furnace was not operating and the workers were out of work, they received a minimum of 3.80 forints per hour. Normally, 8-10 forints were paid for the casting of a railway car wheel. Wages were paid twice monthly on the 10th and 25th of each month. Over-time existed only until [redacted] when it was abolished (actually it was said there would be no more pay for overtime), no worker put in any overtime hours. Deduction in wages was made for careless work. The OTI paid a sick worker full pay, only three days after he became ill.

CONFIDENTIAL
US OFFICIALS ONLY

- 9 -
CONFIDENTIAL
US OFFICIALS ONLY

Work Discipline

15. "There existed in the Personnel Office a Work Regulation which I never read. I know that if a worker was five minutes late to work, he was fined the amount of one hour's work. For unjustified absence a woman was fined 20 Lek [sic] per day of absence. If one escaped from work that was AVH business.

Organizations within the Plant - Meetings

16. "a. Vasasok Szakszervezete (Metal Trade Unions)
b. D.I.SZ. (Demokratikus Ifjúsági Szervezet) - Democratic Youth Union
c. M. SZ. HSZ. (Magyar Szabadság Harcos Szövetség) - Union of Hungarian Freedom Fighters

Production conferences were held twice monthly by the Chief Foreman. He spoke mainly about increase of production.

Workers Hotel

17. "(see No. 33 of legend for location) Every worker residing outside the city and who did not have lodging was entitled to live in the Workers' Hotel in the plant. For that every worker paid 40 forints. Workers (single) were lodged in big wards, 40-50 people to a room, in double military iron-type beds. A NEP-Radio loudspeaker existed in every ward. While the plant supplied mattress, linen, pillow and pillow cases and blankets (linen changed every two weeks), workers had to procure their own towels. They received from the plant $\frac{1}{2}$ km of soap per month (it was black, like chocolate). Since there was also a dressing-room where workers could undress and even take a shower after working hours, the AVH Internal security detectives searched the small wardrobes possessed by workers.

Cultural Life

18. "The plant was entirely radio-controlled by loudspeakers (thru which orders were issued). Workers were also delighted with music and communiques of Hungarian stations programs. The plant edited the Ganz Ujsag paper for workers. There was also a sports club in the city, but I never visited it.

Personnel:

19. "The plant employed approximately 8000-9000 workers (estimated number of female workers cannot be stated) of whom 300 were Greeks, the latter were brought to Hungary by the Soviets at the end of World War II. These Greeks were not permitted to repatriate, and were lodged in the Old Tobacco Plant (see No. 39 of legend). Among the personnel I remember the following:
- a. (fnu) Szantó, Director of the Plant, aged 40, MDP Party member.
 - b. (fnu) Malarovics, Chief of the Personnel Section, aged 50, MDP Party member.
 - c. Istvan Barakonyi, Chief of 'Grinding and Steel Casting' section (No. 2 & 9, of legend) aged 40, married MDP Party member.
 - d. Istvan Joo, Chief Foreman of the Steel Casting Section # 577 (where I worked), aged 35, married, fanatical MDP Party member. When Stalin died, Joo cried, but all other workers laughed at him.
 - e. (fnu) Kovacs, 1st Secretary of the MDP Party Organization, in the Plant, aged 30.
 - f. Gyula Deval, AVH Political Lieutenant, aged 40. He earned 3,600 forints per month.

CONFIDENTIAL
US OFFICIALS ONLY

- 10 -

CONFIDENTIAL
US OFFICIALS ONLYMess Canteen:

20. "(see No. 26, of Legend). A mess canteen existed also, and workers could eat their meals there at noon only, for which they were charged 18 forints weekly (deducted from salary)."

- end -

LIBRARY SUBJECT AND AREA CODES

1-6/743.331	37M
1-6/743.332	37M
1-6/741.416	37M
1-6/741.711	37M
4-5/743.332	37M
751.3	1H(HM)
751.4	37M(IH)(3H)
751.3	3H(HM)
751.3	7P(HM)
751.3	N(HM)
751.4	37M(7P)(N)
1-6/733.971	37M
765.1	37M
762.51	37M
9/743.33	37M
762.2	37M
761.124	37M(GI)

CONFIDENTIAL
US OFFICIALS ONLY